



General Assembly

January Session, 2007

***Raised Bill No. 7003***

LCO No. 3718

\* \_\_\_\_\_HB07003BA\_\_\_\_\_030707\_\_\_\_\_\*

Referred to Committee on Banks

Introduced by:  
(BA )

***AN ACT CONCERNING THE EMERGENCY MORTGAGE ASSISTANCE PROGRAM.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (4) of section 8-265cc of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2007*):

4 (4) "Mortgagee" means the original lender under a mortgage, or its  
5 successors, [who agrees to participate in the program established  
6 pursuant to sections 8-265cc to 8-265kk, inclusive,] or an assignee of a  
7 mortgage. [who agrees to participate in the program;]

8 Sec. 2. Subsection (b) of section 8-265dd of the general statutes is  
9 repealed and the following is substituted in lieu thereof (*Effective*  
10 *October 1, 2007*):

11 (b) Notwithstanding any provision of the general statutes or any  
12 rule of law to the contrary, on and after [the date a mortgagee agrees to  
13 participation in the program established pursuant to sections 8-265cc  
14 to 8-265kk, inclusive] October 1, 2007, no judgment of strict foreclosure  
15 nor any judgment ordering a foreclosure sale shall be entered in any

16 action instituted by the mortgagee to foreclose a mortgage commenced  
 17 on or after such date, for the foreclosure of an eligible mortgage unless  
 18 (1) notice to the mortgagor has been given by the mortgagee in  
 19 accordance with section 8-265ee, as amended by this act, and the time  
 20 for response has expired, and (2) a determination has been made on  
 21 the mortgagor's application for emergency mortgage assistance  
 22 payments in accordance with section 8-265ff or the applicable time  
 23 periods set forth in said sections 8-265cc to 8-265kk, inclusive, have  
 24 expired, whichever is earlier. For purposes of this section and sections  
 25 8-265ee to 8-265kk, inclusive, as amended by this act, an "eligible  
 26 mortgage" is a mortgage which satisfies the standards contained in  
 27 subdivisions (1), (3), (8) and (10) to (13), inclusive, of subsection (d) of  
 28 section 8-265ff.

29 Sec. 3. Subsection (a) of section 8-265ee of the general statutes is  
 30 repealed and the following is substituted in lieu thereof (*Effective*  
 31 *October 1, 2007*):

32 (a) On or after [the date a mortgagee files an agreement to  
 33 participate in the program established pursuant to sections 8-265cc to  
 34 8-265kk, inclusive] October 1, 2007, the mortgagee who desires to  
 35 foreclose upon a mortgage which satisfies the standards contained in  
 36 subdivisions (1), (3), (10), (11) and (12) of section 8-265ff, shall give  
 37 notice to the mortgagor by registered, or certified mail, postage  
 38 prepaid at the address of the property which is secured by the  
 39 mortgage. No such mortgagee may commence a foreclosure of a  
 40 mortgage prior to mailing such notice. Such notice shall advise the  
 41 mortgagor of his delinquency or other default under the mortgage and  
 42 shall state that the mortgagor has thirty days from the date of such  
 43 notice in which to (1) have a face-to-face meeting or telephone  
 44 conference with the mortgagee or a face-to-face meeting with a  
 45 consumer credit counseling agency to attempt to resolve the  
 46 delinquency or default by restructuring the loan payment schedule or  
 47 otherwise, and (2) to contact the authority, at an address and phone  
 48 number contained in the notice, to obtain information and apply for

49 emergency mortgage assistance payments if the mortgagor and  
50 mortgagee are unable to resolve the delinquency or default.

51 Sec. 4. Subsection (d) of section 8-265hh of the general statutes is  
52 repealed and the following is substituted in lieu thereof (*Effective*  
53 *October 1, 2007*):

54 (d) All moneys received by the authority from mortgagors for  
55 repayment of emergency mortgage assistance payments shall be paid  
56 to the authority, deposited in such funds or accounts as the authority  
57 may establish from time to time for such purpose and [paid by the  
58 authority to the State Treasurer and deposited into the General Fund]  
59 be used solely for the purposes of the program established pursuant to  
60 sections 8-265cc to 8-265kk, inclusive, as amended by this act.

61 Sec. 5. (*Effective July 1, 2007*) (a) For the purposes described in  
62 subsection (b) of this section, the State Bond Commission shall have  
63 the power, from time to time, to authorize the issuance of bonds of the  
64 state in one or more series and in principal amounts not exceeding in  
65 the aggregate five million dollars.

66 (b) The proceeds of the sale of said bonds, to the extent of the  
67 amount stated in subsection (a) of this section, shall be used by the  
68 Department of Economic and Community Development for the  
69 purpose of the Emergency Mortgage Assistance Program.

70 (c) All provisions of section 3-20 of the general statutes, or the  
71 exercise of any right or power granted thereby, which are not  
72 inconsistent with the provisions of this section are hereby adopted and  
73 shall apply to all bonds authorized by the State Bond Commission  
74 pursuant to this section, and temporary notes in anticipation of the  
75 money to be derived from the sale of any such bonds so authorized  
76 may be issued in accordance with said section 3-20 and from time to  
77 time renewed. Such bonds shall mature at such time or times not  
78 exceeding twenty years from their respective dates as may be provided  
79 in or pursuant to the resolution or resolutions of the State Bond

80 Commission authorizing such bonds. None of said bonds shall be  
81 authorized except upon a finding by the State Bond Commission that  
82 there has been filed with it a request for such authorization which is  
83 signed by or on behalf of the Secretary of the Office of Policy and  
84 Management and states such terms and conditions as said commission,  
85 in its discretion, may require. Said bonds issued pursuant to this  
86 section shall be general obligations of the state and the full faith and  
87 credit of the state of Connecticut are pledged for the payment of the  
88 principal of and interest on said bonds as the same become due, and  
89 accordingly and as part of the contract of the state with the holders of  
90 said bonds, appropriation of all amounts necessary for punctual  
91 payment of such principal and interest is hereby made, and the State  
92 Treasurer shall pay such principal and interest as the same become  
93 due.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007</i>	8-265cc(4)
Sec. 2	<i>October 1, 2007</i>	8-265dd(b)
Sec. 3	<i>October 1, 2007</i>	8-265ee(a)
Sec. 4	<i>October 1, 2007</i>	8-265hh(d)
Sec. 5	<i>July 1, 2007</i>	New section

***BA***        *Joint Favorable*